

Cabarrus County, North Carolina
Instructions for Listing Business Personal Property

Tax Year 2005

Who must file a listing?

The completion of a listing is required of all individuals, partnerships, corporations, and associations who on January 1, own, control, or possess any amount of leasehold improvements or personal property used or held for a business purpose. Temporary absence of personal property from the place at which it is normally situated shall not affect taxability. For example, a lawn tractor for personal use to mow the lawn at your home is not listed. However, a lawn tractor used as part of a landscaping business in this county must be listed if the lawn tractor is normally in this county, even if it happens to be in another state or county on January 1.

NCGS 105-308 reads in part that "...any person whose duty it is to list any property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The failure to list shall be prima facie evidence that the failure was willful." A class 2 misdemeanor is punishable by imprisonment for up to sixty (60) days.

When and where to list?

Listings must be filed on or before January 31 with the Cabarrus County Assessor's Office. Mail to:

Cabarrus County Assessor's Office
P.O. Box 707
Concord, NC 28026-0707
(704) 920-2176

Listings submitted by mail shall be deemed filed as of the date shown on the postmark affixed by the U.S. Postal Service. Any other indication of the date mailed (such as your own postage meter) is not considered, and the listing shall be deemed to be filed when received in the County Assessor's Office. All late listings will receive a 10% penalty.

Extensions

An extension of time to list may be obtained by sending a written request showing "good cause" to the County Assessor by January 31. The extension may be granted for a period of time, not to exceed April 15.

Application for Exemption

Organizations claiming exemption from N.C. property tax must file an Application for Property Tax Exemption by January 31. Applications for Property Tax Exemption (Form AV-10) and Applications for Business Property Tax Exemption (Form AV-12) may be obtained from the County Assessor's Office.

Completing the Listing Form

Read the following instructions for each schedule or section. If a schedule or section does not apply to you, indicate so on the listing form. Do not leave a section blank. Do not write "Same as Last Year." A **separate form** should be submitted for **each business location**. A listing form may be rejected for noncompliance with these instructions, which could result in late listing penalties. One listing is sufficient for each business location as both City and County assessments are made in this office.

Information Section

Complete all sections at the top of the form, whether or not they are specifically addressed in these instructions. Attach additional sheets if necessary.

Physical Address: Please note the location of the property. The actual physical location may be different from the mailing address. Post office boxes are not acceptable.

Real Estate Owned By: Please indicate the name of the owner of the real estate on which your business is located.

Principal Business Activity: What does the listed business do? (i.e. restaurant, manufacturer of electrical appliances, dry cleaners)

Person to Contact for Audit: Indicate the appropriate person to contact in the event the County Assessor's Office needs additional information. **All listings are subject to audit.**

Social Security Number: The disclosure of this number is voluntary. This number is needed to establish the identification of individuals. The authority to require this number for administration of a tax is given by United States Code Title 42, Section 405(c)(2) (C) (i) US Code: Title 42, Section 405 and N.C.G.S. 105-309.

Schedule A

Schedule A is divided into six (6) sections. "Prior Year Costs" within each section are those reported last year. In the "Current" column, list 100% costs by year of acquisition of all personal property. If the balances in the prior year column have not changed (no deletions or transfers-in for a specific acquisition year), leave the current column blank. Remember to report 100% installed costs including but not limited to labor, sales tax, materials, test-runs, allocated overhead, engineering and architectural costs. Costs should be recorded at "Historical Cost." In the instance of a business

combination or other transaction that involves a purchase of existing assets, the Department of Revenue recommends that assets be reported at historical cost (the former business' installed costs) in the original year of acquisition. All assets in your possession must be reported including those fully depreciated, those expensed under Section 179, and those that would normally be capitalized, but due to the business' capitalization threshold have been expensed.

Section 1. Machinery & Equipment. Include all M & E specific to the industry such as ovens, refrigerated equipment, and tables and chairs for a restaurant.

Section 2. Office Furniture & Fixtures. This includes but is not limited to file cabinets, desks, chairs, adding machines, curtains, blinds, ceiling fans, phones, intercom and burglar systems.

Section 3. Leasehold Improvements. Include real estate improvements to leased property contracted for, installed and paid by lessee, which may remain with the real estate. Examples include special lighting, dropped ceiling, cabinetry, specialty flooring, etc.

Section 4. Computer Equipment. This includes but is not limited to personal computers, mainframes, servers, monitors, printers, scanners, magnetic storage devices, cables and other peripherals associated with those computers. This category also includes software that is capitalized and purchased from an unrelated business entity. This does not include equipment such as computerized point of sale equipment, high tech medical equipment, computer-controlled equipment, or the computer components that control the equipment; these should be listed as M & E.

Section 5. Other. Include a description of "Other" items so the proper valuation schedules can be assigned.

Section 6. Tangible Personal Property Under Construction (CIP). Report 100% cost of all business personal property under construction/assembly which was not yet released to fixed assets but was in your possession as of January 1.

Lease Information/Property in Your Possession, but Owned by Others

If on January 1, you have in your possession any equipment that is loaned, leased, or otherwise held and is not owned by you, a complete description including ownership of the property shall be reported on a separate attachment. Examples include but are not limited to business machines, machinery, furniture, vending equipment, game machines, and postage meters. Please list name and address of owner, description of property, lease number, monthly payment, cost new, and lease start and end dates. Assessments will be made to the owner/lessor.

Schedule B

Section 7. Almost all businesses have supplies used in normal business operation. Supplies which should be listed here are often posted to accounts such as replacement parts, operating supplies, office supplies, maintenance and janitorial, repairs and maintenance, fuels, medical/dental/hotel/motel/beauty supplies. When supplies are expensed, one-twelfth (1/12) the annual balance provides a reasonable estimate for this reporting requirement, assuming a reasonable balance on hand is a one-month supply. The temporary absence of property on January 1 does not mean it should not be listed if the property is normally present.

Supplies that are immediately consumed in the manufacturing process or that become a part of the property being sold, such as packaging materials or raw materials for a manufacturer, do not have to be listed. Supplies, however, are not exempt even if they are carried in an inventory account.

Schedule C

Section 8. Do not list motor vehicles with a current North Carolina registration. Do not list short-term rental vehicles subject to gross receipts tax. If the vehicle is located in North Carolina but has another state's tag, or if the vehicle is not registered at all, list here. Also list any semitrailers or trailers registered on a multi year basis, as well as any special bodies and equipment attached to currently licensed registered vehicles.

Section 9. List boats, motors, aircraft, and mobile homes/offices here. Additional equipment and upgrades added after original purchase should be listed on a separate attachment including 100% cost.

Affirmation

If an authorized person does not sign the form, it will be rejected and, therefore, could be subject to listing penalties. Pursuant to NCGS 105-311, a business is required to have its abstract signed by either (a) a principal officer of the business or (b) a full time employee of the business who has been officially empowered by a principal officer to sign the listing in his behalf.

Further Questions?

Contact the Cabarrus County Assessor's Office at (704) 920-2176.